Holifield Took a $500 ITT Payoff

By Jack Anderson

Rep. Chet Holifield, one of the grand old Democratic powers of the House, took a $500 payoff from ITT about the same time that he wrote the Defense Department on behalf of a multimillion-dollar ITT contract proposal.

Holifield, of California, got the $500 in hundred-dollar bills from ITT's Robert Schmidt, the same man who helped him draft the letter to the Defense Department.

The likable Schmidt is ITT's ambassador to the Democrats, just as ITT lobbyist Dita Beard handled Republican contacts and contributions. Unlike Mrs. Beard, Schmidt is not registered as a lobbyist for ITT.

Our sources inside ITT say the corporate brass, fearful that the Democrats might learn about the ITT pledge to help finance the Republican convention, discussed offering a similar commitment to the Democrats. In both cases a commitment up to $400,000 was mentioned.

We could find no evidence that the offer was actually made to the Democrats. However, ITT and two of its subsidiaries, Florida Palm Coast and the Sheraton hotel chain, bought $30,000 worth of advertisIng in the Democratic convention program.

Robert Strauss, party treasurer, also acknowledged that he had spoken to Schmidt about lining up ITT executives to become '72 sponsors. The sponsors pledge to contribute $72 a month for 12 months to the Democratic campaign chest.

Payoff Scenario

The scenario of the ITT payoff to Holifield, who ironically is a member of the House Ethics Committee, began in mid-1968.

At that time, ITT was eagerly seeking a contract with the Defense Department for electronic airfield equipment that was certain to bring ITT tens of millions. The equipment was to be preconstructed and portable so it could be set up swiftly on Vietnam air strips.

With competition at fever heat, ITT went all out for the contract. It prepared detailed charts and diagrams for congressional and military leaders. In one case, ITT held a briefing for congressmen in a House dining room.

Other charts were not meant for the public's eyes. These showed the key procurement men at the Defense Department, who would be handling the award and when it would come into their jurisdiction.

As the ITT campaign geared up, Schmidt called Holifield's office to let it be known how interested ITT was in the contract. As chairman of the House Government Operations Military subcommittee, Holifield had vast watchdog powers over all defense contracts.

The tenacious Schmidt suggested that a letter to the Defense Department would be helpful to ITT. When Holifield agreed to write it, Schmidt said he would have the letter ready for the congressman when the time was precisely ripe for ITT contract bid.

Some weeks later Schmidt brought a draft of the letter to Holifield's office, where it was retyped substantially as Schmldt prepared it. The congressman sent it on to the Defense Department. The efficient Schmidt even requested a copy for his files.

Hundred-Dollar Bills

At about this time, Schmidt made another visit to Holifield's congressional office on Capitol Hill. The California Democrat was not present, so Schmidt left $500 in one-hundred-dollar bills with an aide, Eliot Stanley, who routinely accepted it on Holifield's behalf.

From sources with ties deep inside ITT, we have learned the money ostensibly was supposed to be a "campaign contribution." But we have not yet been able to turn up any such "campaign contribution" in available public campaign records.

Open contributions normally are made in checks; hidden offerings are delivered in cash. Either kind of contribution by a corporation is a federal crime.

Meanwhile, ITT continued its campaign for the contract, with the support of Holifield and other ITT backers. But in the end, ITT failed to get what it wanted.

We spoke with Holifield at his home in California about the case, but he was noncommittal. "I have no recollection of any such contribution," he said.

As for the letter to the Defense Department, he said: "I write hundreds of letters every year." Pressed about the letter, he said, "I have no answer," then amended this reply to say he could not recall the letter.

The Holifield aide, Stanley, has now left Capitol Hill and declined any public comment about his duties there.

As for Schmidt, although we left repeated calls with his secretary stressing our desire to reach him, he did not return the calls. He is now ITT's Washington public affairs director.

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